GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:3755
ANSWERED ON:13.12.2002
PROCUREMENT OF PADDY IN MP
KANTILAL BHURIA

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the agencies of Madhya Pradesh are incurring losses in the procurement of paddy;

(b) if so, the reasons therefor; and

(c) the steps taken/proposed to be taken by the Government to help the State in tackling this difficulty?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SH KRISHNAM RAJU)

(a)&(b): No, Sir. Foodgrains procured by the State Governments and their agencies areultimately taken over by the FCI. For the services rendered by the State Governments and theiragencies, FCI reimburses them incidental expenses like statutory charges, storage charges, milling charge in the case of paddy, interest, cost of mandi labour, cost of gunny, administrative charges, statutory taxes/cess etc. However, consequent to bifurcation of the erstwhile State of Madhya Pradesh, the State Government has reported that 86% of the milling potential has gone to Chhattisgarh State and only 14% of the paddy milling capacity is left with the State of Madhya Pradesh. This compels the State Agencies to get the paddy milled into ricethrough private millers outside the State. According to the State Government, this is putting a financial strain on the procuring agencies.

(c): Keeping in view the problems in getting the paddy milled, Government had permitted thedisposal of the balance unmilled paddy procured during the Kharif Marketing Season 2000-01 and2001-02 through tender. The State Government was asked to have the remaining quantity of paddy that could not be disposed of, converted into raw rice. Taking into account the views of the State Government, the prevailing situation and the limited capacity and infrastructure of the FCI, the Government has decided that during KMS 2002-03 the FCI would take up paddy procurementin Chambal, and Gwalior divisions as well as in 22 centres in Jabalpur division directly from farmers. In other parts of the State, the Government of Madhya Pradesh would take up paddyprocurement as an agent on behalf of the FCI. To facilitate the milling of paddy, the Governmenthas also conveyed concurrence to the continuance of the M.P. Rice Procurement Levy Order 1970.